

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7433

BILL NUMBER: HB 2049

DATE PREPARED: Jan 22, 1999

BILL AMENDED:

SUBJECT: Postlumpectomy Care.

FISCAL ANALYST: Alan Gossard

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires an insurer that provides benefits relating to a lumpectomy to provide for a minimum postsurgical inpatient stay at a licensed hospital for an individual following a lumpectomy. The bill requires the individual's attending physician to determine the appropriate length of the inpatient stay based on the following: (1) Medical necessity. (2) Protocols and guidelines that are based on sound scientific evidence. (3) Evaluation of the individual and the coverage for and availability of a postdischarge physician office visit or in-home nurse visit to verify the individual's condition within 48 hours after discharge.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill requires group health insurance policies and HMO plans, including health benefit plans provided to state employees, that provide lumpectomy benefits to provide for minimum postsurgical inpatient stays for individuals following a lumpectomy. To the extent that these benefits are not currently offered through the traditional indemnity plans or through the HMO plans as part of the state employee health benefit package, there would be additional costs incurred by these plans. However, those costs are not expected to be significant. Additional costs to the plans may be reflected in increased premiums and enrollment fees. Increased premiums and fees, however, may or may not result in additional costs to the state depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits. The state currently pays about 95% of aggregate employee health plan costs.

Three of the 7 health plans providing health care benefits to state employees responded to our request for information as to how this provision might affect their particular plan. Two responded that there would be no impact on their plans. One plan responded that there could be an impact, but it was not expected to be significant.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill could impact the health benefit plans provided by local governments and school corporations to their employees. The impact on an individual health plan would vary depending upon plan structure and type. Similar to the State, increased premiums and enrollment fees may or may not result in additional costs to local governments and school corporations depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: Local Governments and School Corporations

Information Sources: Keith Beesley, Department of Personnel, 232-3062.